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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 14, 2000

APPLICATION OF

BLUE SPRINGS, INC.

CASE NO. PUE980737

For a certificate of public convenience and necessity

FINAL ORDER

On November 3, 1998, Blue Springs, Inc. ("Blue Springs" or "the Company"), filed an application to obtain a certificate of public convenience and necessity to allow the Company to continue to provide water service to the residents of the community of Rose Hill in Lee County. On January 13, 1999, the Commission entered an Order Inviting Written Comments and Requests for Hearing. Numerous customers and the Lee County Board of Supervisors and Public Service Authority filed comments objecting to the Company's application. The Lee County Public Service Authority also requested a local hearing.

On May 21, 1999, the Commission entered an order setting forth a procedural schedule and appointing a Hearing Examiner to conduct further proceedings in this matter. By Hearing Examiner's ruling of June 30, 1999, the procedural schedule was suspended based upon information received by the Commission Staff that Blue Springs and Lee County officials were

negotiating for the acquisition of the Company's water system by Lee County. However, Blue Springs never withdrew its application for a certificate and failed to produce a copy of any written agreement concerning the acquisition of the Company's water system.

On February 22, 2000, the Staff filed a Motion to Dismiss the Company's application. The Staff stated in its motion that on January 13, 2000, it obtained from the Virginia Department of Health a copy of what appeared to be an undated, partially executed agreement among the Company, Lee County, and BSGFS, LLC, for the transfer of Blue Springs' Rose Hill water system to Lee County. The Staff stated that it had repeatedly attempted to contact both the Company and Lee County officials to verify the validity of this agreement but received no response to its inquiries. The Staff sought dismissal of Blue Springs' application in view of this purported agreement and the lethargy of the parties to participate in this proceeding.

On February 23, 2000, Hearing Examiner Michael D. Thomas filed his Report in this matter, recommending that the Commission enter an order dismissing this matter from the Commission's docket of active cases.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this case should be dismissed.

Accordingly,

IT IS ORDERED THAT:

- (1) The recommendations in the February 23, 2000, Report of Michael D. Thomas, Hearing Examiner, are adopted in full;
- (2) This matter is DISMISSED and, there being nothing further to come before the Commission, the papers herein are passed to the file for ended causes.